

Economic Policy

Vision

A regenerative economy enables all people to thrive within nature's bounty.

Values and Principles

Policy decisions must be consistent with the following values and principles:

- *Honour Te Tiriti o Waitangi*: Economic policy should equitably meet the Crown's obligations under Te Tiriti o Waitangi, and draw Māori into control of their whenua through the returning of lands and economic prosperity. The tino rangatiratanga of hapū and iwi for economic measures should be adhered to through the implementation of Matike Mai.
- *Ecological Wisdom*: The economy should be shaped so that it provides quality of life over generations, combats climate change and environmental degradation and maintains the capacity of global and local ecosystems to sustain themselves, and protects valued natural environments, as aligned with Māori values, tikanga and mātauranga Māori.
- *Social Responsibility*: Basic material security and sufficient income for all, and a fair distribution of the economy's benefits and burdens, will lead to better outcomes for all members of our society.
- *Appropriate Decision-Making*: Economic policy should empower all people to choose a level of material consumption that is sufficient and within ecosystem capacity at local, national and global levels. It should involve positive engagement and collaboration with tangata whenua.
- *Non-Violence*: Economic policy should actively counter economic activity that involves exploitation and oppression and seek to address inequities resulting from colonisation and other historic and ongoing violence.
- *Resilience*: Economic policy should build the capacity of Aotearoa New Zealand's economy and our social networks to withstand and adapt to economic and ecological shocks.
- *Efficiency*: Economic policy should seek to get the most long term benefit from each resource and from resource use across society, enhancing productivity and minimising waste.
- *Fiscal responsibility*: Economic policy will ensure that the total (public and private) debt and international position of Aotearoa New Zealand are at sustainable levels so current and future generations are able to pay for infrastructure, goods and services.
- *Creativity*: Economic policy needs to foster creativity, innovation and sustainable technology that reduces resource use and supports human well being.

Summary

We will tackle unacceptable levels of inequality and environmental damage through reorienting taxation, regulating markets, bolstering environmental protection, investing in people and innovation, and strengthening education. We will ensure that a Green economy supports all New Zealanders, promotes gender and pay equity, recognises and values unpaid work, and provides a just distribution of our nation's wealth. Through Green transformation we will create a richer future for ourselves and for future generations.

Strategic Priorities

The Green Party's strategic goals include:

"A significantly greater proportion of the government budget will be spent enabling Aotearoa to achieve [the vision of this policy and goals related to: action on the climate crisis; equity, compassion and inclusive communities; protecting and restoring the environment and biodiversity; and honouring Te Tiriti o Waitangi].

Our nation will have a progressive tax system that supports our social, economic, and environmental objectives."

Actions in this policy that will help achieve this include:

- Support and resource development of the Māori economy, including ensuring economic policies recognise the importance of whānau, whenua and kaitiakitanga to Māori economic development. (1.1)
- Implement a Tiriti-based economic strategy that eliminates the dependence of economic systems on growth and ensures economic activity is resilient and occurs far beneath ecological limits. (2.1)
- Ensure that tax policy contributes to the overall quality of life of New Zealanders and the sustainable development of Aotearoa New Zealand (...) (3.2)
- Ensure that public investment effectively furthers the transition to a fair and sustainable economy. (...) (3.11)

Connected Policies

This policy is highly connected to our [Sustainable Business](#), [Household Livelihoods](#), and [Community and the Economy](#) Policies. Other policies relate to specific economic sectors, including [Agriculture and Rural Affairs](#), [Energy](#), [Forestry](#), [Marine](#) and [Tourism](#). Aotearoa New Zealand within the global economic system is considered in our [Trade and Foreign Investment](#) and [Global Affairs](#) Policies.

Policy Positions

1. [Te Tiriti o Waitangi and the Economy](#)

Issues

Hapū, iwi and Māori businesses are subject to a range of legislative barriers that disadvantage their economic well being. These have included treaty settlements that undervalue the land and historical grievances that Māori have suffered, the way that Māori land ownership is subject to Māori land court decisions, processes around resource management that undermine the tino

rangatiratanga of hapū and iwi, and changes to the Emissions Trading Scheme settings that have negatively impacted Māori forestry.

Actions

- 1.1. Support and resource development of the Māori economy, including ensuring that economic policies recognise the importance of whānau, whenua and kaitiakitanga to Māori economic development.
- 1.2. Remove barriers for tangata whenua to improve the administration of Māori land for their own benefit.
- 1.3. Ensure owners can access the capital and planning needed to facilitate the development of Māori land as well as the returning of land.
- 1.4. Review the Treaty settlement process to ensure it is delivering just and equitable economic outcomes (see our [Te Tiriti o Waitangi](#) Policy).

2. Stewarding the Economy

Issues

Aotearoa New Zealand has an extractive and exploitative economic model that is driven by profit margins, with little regard for finite resources. GDP is an inadequate measure of the success or health of our economy, and a lack of strong regulations has allowed some financial companies to entice savers and investors into high-risk investments. Over time, this weak economic stewardship has negatively impacted our environment, our people, and our financial stability.

Actions

A. Strategic Oversight and Coordination

- 2.1. Implement a Tiriti-based economic strategy that eliminates the dependence of economic systems on growth and ensures economic activity is resilient and occurs far beneath ecological limits.
- 2.2. Strengthen the regulatory framework for the Aotearoa New Zealand economy and international actors that engage with it through clear laws, regulations and accountable institutions that promote fair competition, transparency, environmental sustainability, social equity, and uphold the rights of workers, consumers and local communities (see our [Sustainable Business](#) Policy).
- 2.3. Reform trade and overseas investment policies to ensure they support environmentally-sound production, human rights and the local economy, and help maintain a level of economic diversity and capacity in the face of changing economic circumstances (see our [Trade and Foreign Investment](#) Policy).

B. Measuring Success

- 2.4. Adopt an approach to measuring economic success that is guided by the following general propositions:
 - 2.4.1. Economic progress indicators must be grounded in a sustainability framework and measure overall wellbeing rather than just annual turnover.

- 2.4.2. Measures of wellbeing need to encompass the full range of human activities, including unpaid, voluntary and women's work.
- 2.4.3. Public reporting on economic progress should be conducted regularly and presented in a form that is accessible and easy to understand.
- 2.5. Update the national accounting system to provide information in a form necessary to support effective and timely management of the economy as a whole. This includes:
 - 2.5.1. Broadening the definition of investment to include investment in social, cultural, human, natural and physical (including infrastructural) capitals;
 - 2.5.2. Developing and regularly reviewing natural resource accounts to keep track of the state of resources such as soil, forests, fresh air, clean water and energy reserves;
 - 2.5.3. Developing measures of sustainable national income;
 - 2.5.4. Classifying expenditure and revenue on the basis of their impact on the economy as a whole rather than on the basis of analogies with private sector accounting;
 - 2.5.5. Providing sufficient timely and accurate information at a level of details needed to support good economic management in line with the purpose of fiscal policy.
- 2.6. Strengthen reporting on related measures, including:
 - 2.6.1. Reporting regularly and proactively on the state of critical ecosystems and greenhouse gas emission levels;
 - 2.6.2. Strengthening economy-environment modelling capacity within Statistics New Zealand and the data collection necessary to support this;
 - 2.6.3. Establishing a secure funding system for regular and independent State of the Environment reporting and Social Reports, supported by the development of indicators of ecosystem and social health;
 - 2.6.4. Strengthening and resource environmental and social indicator reporting at local body level within a nationally consistent framework;
 - 2.6.5. Requiring government reporting on its broader social and environmental performance, as well as financial performance, within the Public Finance Act framework; and
 - 2.6.6. Assisting and encouraging business to report on environmental performance and social responsibility as well as financial performance.

C. Towards a Circular Flow of Resources

- 2.7. Ensure that the management and allocation of any material or substance from a living system is based on prioritising the healing and regeneration of that system, and minimises any greenhouse gas emissions (see our [Environmental Protection](#), [Energy](#), [Conservation](#), [Agriculture and Rural Affairs](#), and [Marine](#) Policies), including by:
 - 2.7.1. Capping the amounts and rates of resource use and disposal in line with ecological and social limits to use and disposal, assessed on a precautionary basis;

- 2.7.2. Ensuring that allocation of resources for commercial use embodies incentives to use resources to contribute to overall economic policy goals;
 - 2.7.3. Supporting the public's right to a return that reflects true costs from the commercial use of public resources; and
 - 2.7.4. Recognising the importance of meeting everyone's needs for natural resources such as water, and the products of natural resources such as energy, and ensuring that these are achieved in balance with the needs of natural ecosystems.
- 2.8. Restrict the taking of non-renewable 'common' resources to:
- 2.8.1. levels that do not undermine the needs of future generations;
 - 2.8.2. activities that are compliant with the circular economy model; and
 - 2.8.3. activities that will have an overall effect of a reduction in greenhouse gas emissions, such as the development of renewable technologies.
- 2.9. Require Companies taking non-renewable 'common' resources to pay a bond linked to the ecological and social outcomes of their activity.
- 2.10. Incentivise and promote new initiatives that demonstrate the concepts of restraint and sufficiency in relation to manufactured products, the built environment and services, and industrial systems.
- 2.11. Pursue comprehensive measures to encourage more efficient use of energy and natural resources throughout the economy, including a supportive institutional and legal environment, appropriate regulatory control and financial incentives, and government leadership by example (see our [Sustainable Business](#) Policy. For concrete examples, see our [Energy](#), [Transport](#), [Waste and Hazardous Substances](#), and [Research, Science and Technology](#) Policies).
- 2.11.1. Ensure that pricing mechanisms are supported by complementary policies that promote improved efficiency of use, waste reduction and the provision of renewable alternatives, including funding for research;
 - 2.11.2. Encourage multi-functionality, direct person to person sharing of resources, and wider development of "goods as services" models (such as shared public spaces, and hiring goods instead of owning them) for meeting people's needs;
 - 2.11.3. Continue to draw on rigorous scientific and technical advice to ensure a confident and robust evaluation of the role which efficiency can play in implementing the larger goal of achieving wellbeing within acknowledged ecological limits;
 - 2.11.4. Promote sustainable ("cradle to cradle") product and system design in relation to manufactured products, the built environment, and services (see our [Waste and Hazardous Substances](#) Policy); and
 - 2.11.5. Establish a consumer right to seek repairs.

D. Direct Ownership

- 2.12. Put services into public ownership where this supports action to mitigate climate change or manage environmental risks or risks to the Government, or there is insufficient competition in the sector.

- 2.13. Review the purpose, leadership and functioning of all State-Owned Enterprises to ensure that they are dedicated to upholding the long-term wellbeing of the natural environment and people of Aotearoa New Zealand, and then rename them “Public Interest Enterprises”.
- 2.14. Ensure that state-owned enterprises set the standard for all businesses throughout Aotearoa New Zealand.
- 2.15. Consider a financial intervention (such as a bail-out in return for an equity stake) in failing private companies when it is in the national interest, and provided there is a clear and transparent benefit to New Zealanders, and provided that there are adequate controls in place to protect the investment and avoid the company making excess profits as a result.

E. Regenerative Business

- 2.16. End intensive, unsustainable production from land and sea through a planned transition to ecologically sustainable, regenerative and humane models (see our [Agriculture and Rural Affairs](#), [Marine](#), and [Forestry](#) policies).
- 2.17. Align business activities with the principles of this policy, including specific sectors such as manufacturing and construction (see our [Sustainable Business](#) and [Housing and Sustainable Communities](#) Policies).

F. Financial Services

- 2.18. Ensure that the financial services sector:
 - 2.18.1. Provides the finance and services that citizens, business and government need, including the finance required to undertake a Green economic transformation;
 - 2.18.2. Contributes to a stable economy and lends only what is sustainable for citizens, business and government to service;
 - 2.18.3. Is fiscally prudent (to the extent that it does not impose costs on the taxpayer), financially sustainable, robust and takes into account the expected costs of financial risk; and
 - 2.18.4. Is transparent, accountable, and answerable for the consequences of negative externalities that it imposes on the Aotearoa New Zealand community.
- 2.19. Establish regulatory measures which:
 - 2.19.1. ensure that people and businesses can access the finance they need without excessive risk of default;
 - 2.19.2. consider the behaviour of individual institutions and how the behaviour of those banks may interact with each other and the system as a whole;
 - 2.19.3. prioritises economic, and therefore social, stability; and
 - 2.19.4. are, to the extent that is practical and consistent with our other principles, consistent with the international regulatory environment, particularly in Australia.
- 2.20. Ensure depositors are adequately informed of the risks they are taking and vulnerable depositors are not exploited.

- 2.21. Introduce mandatory guidelines for the advertising of financial products and services to protect vulnerable depositors and ensure full compliance with consumer legislation.
- 2.22. Ensure that derivatives and securitisation are fully regulated.
- 2.23. Set restrictions on the size and scope of related party transactions, lending in particular, and require comprehensive reporting on them in the annual accounts and all prospectuses.
- 2.24. Ensure oversight and rating of financial institutions is robust, require auditors and trustees to draw attention to instruments that they do not fully understand, ensure investments fit with the investment strategy and prospectus, and ensure related party transactions fall within legal limits.
- 2.25. Ensure compliance costs for small and medium scale financial institutions such as credit unions are appropriate to their size and risk profile.
- 2.26. Strengthen domestic savings and divert investment from speculation into productive uses, including:
 - 2.26.1. Support a stronger culture of savings and long term productive investment, including through education programmes;
 - 2.26.2. Amend the Kiwisaver scheme to establish a single default 'public fund', in order to reduce administration costs and provide transparent returns;
 - 2.26.3. Strengthen the oversight and reporting for Kiwisaver schemes and superannuation schemes through the Financial Markets Authority; and
 - 2.26.4. Make retail investing in government bonds easy and inexpensive by retailing them in small lots.
- 2.27. In relation to general banking:
 - 2.27.1. Reintroduce Depositors' Guarantee Schemes for registered banks, funded by the licensed institutions, rather than the taxpayer;
 - 2.27.2. Set capital adequacy ratios for all lending institutions;
 - 2.27.3. Support the use of macro-prudential tools by the Reserve Bank, with appropriate safeguards;
 - 2.27.4. Require the Reserve Bank to incorporate climate risks in its assessment of capital adequacy for banks, insurers and other financial institutions;
 - 2.27.5. Retain the capitalisation requirements in the Reserve Bank Act (i.e. that they are Aotearoa New Zealand--registered companies and that they have secured local capitalisation);
 - 2.27.6. Ring-fence retail operations from proprietary trading;
 - 2.27.7. Develop a more diverse financial sector, including taking measures to encourage Aotearoa New Zealand-owned banks, credit unions and similar local initiatives; and
 - 2.27.8. Consider constraints on debt-based money creation.
- 2.28. In relation to Kiwibank:
 - 2.28.1. Retain Government ownership of Kiwibank;

- 2.28.2. Support measures to strengthen Kiwibank to balance the foreign ownership of Aotearoa New Zealand's other major banks;
 - 2.28.3. Ensure Kiwibank adheres to relevant social and environmental standards when making loans or investment decisions;
 - 2.28.4. Retain Kiwibank's goal of provision of reliable savings and other financial services to the people of Aotearoa New Zealand. Do not allow it to engage in proprietary trading; and
 - 2.28.5. Support the development of Kiwibank's capacity so they will be in a position to successfully tender for the Government's banking contract.
- 2.29. Provide the starting capital for a community owned banking network that:
- 2.29.1. Keeps money circulating locally;
 - 2.29.2. Helps overcome problems with access to capital, reinvests profits locally supporting community activities and voluntary organisations;
 - 2.29.3. Administers a community development fund, providing investment funds for local enterprises engaged in ecologically sustainable businesses;
 - 2.29.4. Makes loans available to small business and community enterprises using innovative as well as traditional forms of security;
 - 2.29.5. Has community ownership, including democratically elected, accountable shareholder directors; and
 - 2.29.6. Provides full retail and small-to-medium business banking services.

3. The Economy of Government

Issues

The Government is a major economic actor in Aotearoa New Zealand. The way it raises and spends money helps shape the economy and its impacts on people and planet. A small minority of wealthy New Zealanders and large corporations are not paying fair taxes, while the level of government expenditure is insufficient to meet its critical role in guiding and developing the economy, ensuring ongoing wellbeing for all, or protecting the health of our environment.

The current approach to fiscal management embeds a free-market economic model in both legislation and in the way the national accounts are prepared. This has led to an inadequate approach to income inequality, extreme weather events and public health risks which, in turn, are enormous costs to the economy both now, and for future generations.

A. Taxation and Revenue

- 3.1. Ensure that taxes come from a broad base, including:
 - 3.1.1. Personal and business income taxes that reward sustainable human activity and enterprise;
 - 3.1.2. Consumption and expenditure taxes that discourage wasteful use of energy and resources;
 - 3.1.3. Targeted environmental taxes designed to reduce and eliminate behaviours that are not sustainable in a finite world, that degrade ecosystems, or that cause

- high levels of waste and/or greenhouse gas emissions (such as import taxes based on the level of greenhouse gas emissions involved in production);
- 3.1.4. Taxes that acknowledge the value of common property through resource rentals, and which encourage long-term sustainable business practices;
 - 3.1.5. Taxes on accumulated wealth and assets, including land value (see our [Housing and Sustainable Communities](#) Policy for details on land value tax); and
 - 3.1.6. Taxes on corporations making excessive profit from high prices.
- 3.2. Ensure that tax policy contributes to the overall quality of life of New Zealanders and the sustainable development of Aotearoa New Zealand, including designing the tax system to:
- 3.2.1. Encourage productive and sustainable work and enterprise;
 - 3.2.2. Discourage speculative investment in non-productive assets;
 - 3.2.3. Promote responsible management of the planet's finite resources;
 - 3.2.4. Ensure that those in society who have the least ability to pay income tax pay the least as a proportion of their income, while those who can pay more do so and contribute to the welfare of society in this way (see our [Household Livelihoods](#) Policy);
 - 3.2.5. Reduce wealth and income inequality;
 - 3.2.6. Strengthen local and regional economies;
 - 3.2.7. Limit foreign purchases of local assets;.
 - 3.2.8. Be consistent, fair, transparent and simple, and responsive to unintended consequences; and
 - 3.2.9. Minimise complexity and compliance costs.
 - 3.2.10. Begin a process of ecological tax reform by setting up an Ecological Tax Commission to build on the work on eco-taxes undertaken by the 2018 Tax Review.
- 3.3. Ensure that investment income from different sources is treated equally for tax purposes.
- 3.4. Ensure welfare beneficiaries receive the full advantages of any changes to income tax rates and adjust benefit abatement rates to address the problem of benefit abatement for those moving into employment (see our [Household Livelihoods](#) Policy).
- 3.5. Support the introduction of a comprehensive capital gains tax that:
- 3.5.1. Applies to inflation- adjusted capital gains at the time of realisation;
 - 3.5.2. Applies to assets in Aotearoa New Zealand that are purchased and sold by corporations or people living overseas as well as assets sold or purchased by residents;
 - 3.5.3. Exempts the family home;.
 - 3.5.4. Treats taxable real capital gains as income for tax rate purposes; and
 - 3.5.5. Allows the income from capital gains to be spread over several years for Aotearoa New Zealand residents.

- 3.6. Support a broad-based Goods and Services Tax within the context of a progressive tax system.
- 3.7. Collaborate internationally to establish financial transaction taxes, including on international currency movements.
- 3.8. Ensure that tax is levied consistently on economic activity in Aotearoa New Zealand, loopholes and shelters are removed, and enforcement strengthened.
- 3.9. Introduce specific measures to ensure that multinational digital and other companies pay their fair share of tax on economic activity, including through taxes levied on Aotearoa New Zealand revenues in cases where accounting is insufficiently transparent to give a realistic indication of their actual taxable income in Aotearoa New Zealand.
- 3.10. Give priority to greater international tax coordination, including greater transparency in international funds transfers, closing tax havens, controlling money laundering, and ending tax avoidance through transfer pricing.

B. Public Investment

- 3.11. Ensure that public investment effectively furthers the transition to a fair and sustainable economy. Relevant considerations include:
 - 3.11.1. Long term vision: Government's ability to prioritise the future national interest over short term profitability;
 - 3.11.2. Scale of the Aotearoa New Zealand economy: Government assumes a relatively greater role in Aotearoa New Zealand given the small size of our economy and limited availability of private investment funds within this country;
 - 3.11.3. Government's nation-wide perspective and responsibility towards communities throughout Aotearoa New Zealand: its ability to build capacity in the regions and promote hubs of specialist economic activity in collaboration with local government;
 - 3.11.4. Research and development: Government's ability to provide appropriate institutional structures and levels of funding (see our [Research, Science and Technology](#) policy); and
 - 3.11.5. Ethical investment: Government's potential to influence the private sector by demonstrating ethical investment principles.
- 3.12. Establish a national investment bank to direct investment into areas that are ethical and prioritise a safe climate.
- 3.13. End all forms of direct and indirect subsidies from high greenhouse gas-emitting industries and emissions-intensive trade-exposed (EITE) industries, and divert the funds into mitigation of climate change.
- 3.14. Avoid public-private partnerships, which tend to emphasise (private sector) profit over climate-safe approaches.

C. Fiscal Policy

- 3.15. Reform or replace the Public Finance Act 1989 to ensure ongoing wellbeing for all and the health of our environment, including reforming the Fiscal Responsibility section (Part 2) of this Act by:
 - 3.15.1. Replacing the emphasis on controlling specific measurements with a broader view;.
 - 3.15.2. Adding a new aspect of revenue strategy, which ensures adequate revenue in the long term to pay for necessary investments;.
 - 3.15.3. Framing 'fairness' with an emphasis on broader equality of wealth and economic power, rather than merely the predictability and stability of taxes; and
 - 3.15.4. Reframing the approach to debt to focus on both private and public debt, and ensuring any debt strategy addresses both of these and supports the purpose in 1.
- 3.16. Implement a fiscal strategy which:
 - 3.16.1. Aims for sufficiency in maintaining and enhancing the wellbeing of our people and ecosystems within planetary boundaries;
 - 3.16.2. Incorporates the need to transition to a circular economy which does not rely on unlimited growth;
 - 3.16.3. Ensures government expenditure is sufficient to maintain and enhance the wellbeing of our people, our planet and our economy;
 - 3.16.4. Considers the capacity of the economy, such as the availability of raw materials and skills, when making decisions on expenditure, revenue and investment;
 - 3.16.5. Maintains macroeconomic stability, including full employment and controlled inflation;
 - 3.16.6. Uses the full range of tools available to finance government expenditure, and chooses the mix between them on the basis of their effects on broader goals (see also the Monetary Policy section of this policy);
 - 3.16.7. Recognises the multiple roles of the tax system as set out in the Taxation section of this Policy;
 - 3.16.8. Recognises fiscal, social and environmental costs of both government action and inaction; and
 - 3.16.9. Strengthens the resilience of our nation to sudden shocks and systemic ecological and social crises, including natural disasters.
- 3.17. Oppose fiscal strategy which includes arbitrary point targets for government debt and government expenditure. Any debt and expenditure targets must be based on evidence and clearly derived from the purpose of fiscal policy to ensure ongoing wellbeing for all and the health of our environment.

D. Monetary Policy

- 3.18. Ensure that the Government's approach to monetary policy is guided by the following general propositions:
 - 3.18.1. Monetary policy assists people and businesses to plan their lives with a degree of certainty;

- 3.18.2. Monetary policy contributes to the overall quality of life of New Zealanders and the sustainable development of Aotearoa New Zealand;
 - 3.18.3. Monetary policy has significant effects on the real economy and needs to be implemented in ways that support ecological sustainability and the just distribution of social and natural resources;
 - 3.18.4. Changes to monetary policy recognise the importance of stability of the monetary system, and are made as carefully as possible to ensure stability for society. Where possible, significant changes to the monetary system should be preceded by appropriate research and trial programmes; and
 - 3.18.5. Oversight of the financial system is also critical to a healthy monetary system.
- 3.19. Strengthen coordination of monetary and fiscal policy.
- 3.20. Increase the focus on the exchange rate and balance of payments, including using a range of tools to dampen volatility in the New Zealand dollar exchange rate or to influence it if it remains significantly over-valued or under-valued.
- 3.21. Undertake a comprehensive review of the conduct of monetary policy, including consideration of:
- 3.21.1. Changes to the Reserve Bank Act to address:
 - 3.21.1.1. The way that the Bank considers inflation, employment and external balance of trade issues when setting monetary policy;
 - 3.21.1.2. The adoption of alternative targets for monetary policy (for example nominal national income rather than inflation); and
 - 3.21.1.3. Use of a suite of monetary policy tools in conjunction with the Official Cash Rate; and
 - 3.21.2. Reviewing the role of complex financial instruments within the Aotearoa New Zealand economy and their impact on sustainable development, with a view to encouraging the financial sector to take responsible, long-term financial decisions and avoid excessive risk to economic stability.
- 3.22. In relation to climate change impacts on monetary policy, require the Reserve Bank to help buffer these shocks through:
- 3.22.1. incentivising borrowers to move towards lower-carbon activities;
 - 3.22.2. ensuring that investments focus on responsible investment principles; and
 - 3.22.3. increase the number of companies who are required to report their climate-related risks.
- 3.23. Implement measures to limit future asset (especially house) price inflation such as:
- 3.23.1. Introducing a comprehensive capital gains tax exempting the family home (see above);
 - 3.23.2. Reserving land ownership for Aotearoa New Zealand citizens and permanent residents; and
 - 3.23.3. Significantly expanding the supply of ecologically sustainable affordable housing, including expanded public housing initiatives (see our [Housing and Sustainable Communities](#) policy).

- 3.24. Support the appropriate use of overt monetary financing (direct financing of public expenditure by the central bank) in line with the vision, values and principles of this policy.
 - 3.24.1. Ensure that the use of overt monetary financing respects the real limits of the economy, which include, but are not limited to, the availability of labour, material resources, and available technology; and
 - 3.24.2. Pair all use of overt monetary financing with appropriate policies to ensure inflation and other macroeconomic indicators remain within desired limits, and to guide the behaviour of the economy (via a mix of taxation, targeted spending, incomes policies and supply side measures).

E. Financing Disaster Recovery

- 3.25. Initiate a cross-party dialogue on the appropriate means of financing recovery from major natural disasters.
- 3.26. Support the use of the full range of fiscal and monetary tools available to the Government, including a progressive temporary surcharge on income tax.
- 3.27. Ensure that recovery financing supports and enhances the transition to a smart, fair and sustainable economy.
- 3.28. For climate change events:
 - 3.28.1. Explore the option of taxing industries with high greenhouse gas emissions so that funding could help to provide payouts following extreme weather events that displace vulnerable groups; and
 - 3.28.2. Require councils that approve building consents in areas that are at risk of flooding to indicate on the Land Information Memorandum (LIM) that they will bear the brunt of any costs associated with such an event.